

DIRECT TESTIMONY
OF
MARK MAPLE
ENGINEERING DEPARTMENT
ENERGY DIVISION
ILLINOIS COMMERCE COMMISSION

SOUTH BELOIT WATER, GAS & ELECTRIC

DOCKET NO. 02-0728

NOVEMBER 3, 2003

1 Q. Please state your name and business address.

2 A. My name is Mark Maple and my business address is Illinois Commerce
3 Commission, 527 East Capitol Avenue, Springfield, Illinois 62701.

4 Q. By whom are you employed and in what capacity?

5 A. I am employed by the Illinois Commerce Commission ("Commission") as
6 an Energy Engineer in the Engineering Department of the Energy Division.
7

8 Q. Please state your educational background.

9 A. I hold a Bachelor of Science degree in Mechanical Engineering and a
10 minor in Mathematics from Southern Illinois University in Carbondale,
11 Illinois. I am currently enrolled in the MBA program at the University of
12 Illinois at Springfield, where I have taken 24 of the required 48 hours
13 towards my degree. Finally, I am a registered Professional Engineer
14 Intern in the State of Illinois.

15 Q. What are your duties and responsibilities as an Energy Engineer in the
16 Engineering Department?

17 A. My primary responsibilities and duties are in the performance of studies
18 and analyses dealing with the day-to-day, and long-term, operations and
19 planning of the gas utilities serving Illinois. For example, I review
20 purchased gas adjustment clause reconciliations, rate base additions,
21 levels of natural gas used for working capital, and utilities' applications for
22 Certificates of Public Convenience and Necessity. I also perform utility
23 gas meter test shop audits.

24 Q. What is the purpose of this proceeding?

25 A. On November 7, 2002, the Commission initiated its annual reconciliation
26 of the Purchased Gas Adjustment ("PGA") for calendar year 2002, as filed
27 by South Beloit Water, Gas & Electric ("South Beloit" or "Company"),
28 pursuant to Section 9-220 of the Illinois Public Utilities Act. This
29 investigation was initiated to determine whether South Beloit's PGA clause
30 reflects actual costs of gas and gas transportation for calendar year 2002
31 and whether those purchases were prudent.

32 Q. What is your assignment within this proceeding?

33 A. My assignment is to determine if South Beloit's natural gas purchasing
34 decisions made during the reconciliation period were prudent.

35 Q. Have you made a determination if South Beloit's natural gas purchasing
36 decisions made during the reconciliation period were prudent?

37 A. Yes. Using the Commission's criteria for prudence, I have determined
38 South Beloit's natural gas purchasing decisions were prudent.

39 Q. What criteria does the Commission use to determine prudence?

40 A. The Commission has defined prudence as:

41 **[...] that standard of care which a reasonable person**
42 **would be expected to exercise under the circumstances**
43 **encountered by utility management at the time decisions**
44 **had to be made. In determining whether or not a judgment**
45 **was prudently made, only those facts available at the time**
46 **the judgment was exercised can be considered. Hindsight**
47 **review is impermissible.**

48 **Imprudence cannot be sustained by substituting one's**
49 **judgment for that of another. The prudence standard**
50 **recognizes that reasonable persons can have honest**
51 **differences of opinion without one or the other necessarily**
52 **being 'imprudent'. (Commission v. Commonwealth Edison**
53 **Company, Docket No. 84-0395, 10/7/87, p.17).**
54

55 Q. What material did you review to determine the prudence of South
56 Beloit's natural gas purchasing decisions during the reconciliation
57 period?

58 A. I reviewed the direct testimony of Company witness Brian
59 Pennington. I also reviewed Company responses to numerous
60 Staff data requests that directly addressed issues related to the
61 prudence of South Beloit's natural gas purchasing.

62 Q. Does this conclude your direct testimony?

63 A. Yes, it does.

**STATE OF ILLINOIS
ILLINOIS COMMERCE COMMISSION**

ILLINOIS COMMERCE COMMISSION

On Its Own Motion

-vs-

**SOUTH BELOIT WATER, GAS
AND ELECTRIC COMPANY**

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02-0728

**Reconciliation of revenues collected under gas
adjustment charges with actual costs prudently
incurred.**

NOTICE OF FILING

TO ATTACHED SERVICE LIST:

YOU ARE HEREBY NOTIFIED that we have, on this 3rd day of November 2003, forwarded to the Chief Clerk of the Illinois Commerce Commission, for filing in the above-captioned docket, the Direct Testimony of the Illinois Commerce Commission Staff Witness Mark Maple of the Energy Division, Engineering Department, a copy of which is hereby served upon you.

Steven R. Knepler
Supervisor
Accounting Department
527 East Capitol Avenue
Springfield, IL 62701

CERTIFICATE OF SERVICE

I HEREBY CERTIFY THAT copies of the foregoing Notice, together with the documents referred to therein, were served upon the parties on the attached Service List, by messenger, electronic mail, facsimile and/or first-class mail, proper postage prepaid from Springfield, Illinois, on this 3rd day of November 2003.

Steven R. Knepler
Supervisor
Accounting Department

SOUTH BELOIT WATER, GAS AND ELECTRIC COMPANY
Docket No. 02-0728
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ILLINOIS COMMERCE COMMISSION

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